

110TH CONGRESS  
1ST SESSION

# H. R. 4253

To improve and expand small business assistance programs for veterans of the armed forces and military reservists, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

DECEMBER 4, 2007

Mr. ALTMIRE (for himself, Mr. BUCHANAN, Ms. VELÁZQUEZ, and Mr. CHABOT) introduced the following bill; which was referred to the Committee on Small Business

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## A BILL

To improve and expand small business assistance programs for veterans of the armed forces and military reservists, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Military Reservist and Veteran Small Business Reau-  
6 thorization and Opportunity Act of 2007”.

7 (b) TABLE OF CONTENTS.—The table of contents for  
8 this Act is as follows:

Sec. 1. Short title; table of contents.  
Sec. 2. Definitions.

## TITLE I—VETERANS BUSINESS DEVELOPMENT

- Sec. 101. Increased funding for the Office of Veterans Business Development.
- Sec. 102. Interagency task force.
- Sec. 103. Permanent extension of SBA Advisory Committee on Veterans Business Affairs.
- Sec. 104. Office of Veterans Business Development.
- Sec. 105. Increasing the number of outreach centers.
- Sec. 106. Independent study on gaps in availability of outreach centers.

## TITLE II—NATIONAL RESERVIST ENTERPRISE TRANSITION AND SUSTAINABILITY

- Sec. 201. Short title.
- Sec. 202. Purpose.
- Sec. 203. National Guard and Reserve business assistance.
- Sec. 204. Veterans Assistance and Services program.

## TITLE III—RESERVIST PROGRAMS

- Sec. 301. Reservist programs.
- Sec. 302. Reservist loans.
- Sec. 303. Noncollateralized loans.
- Sec. 304. Loan priority.
- Sec. 305. Relief from time limitations for veteran-owned small businesses.
- Sec. 306. Service-disabled veterans.
- Sec. 307. Study on options for promoting positive working relations between employers and their Reserve Component employees.
- Sec. 308. Increased Veteran Participation Program.

**1 SEC. 2. DEFINITIONS.**

2 In this Act—

3 (1) the term “activated” means receiving an  
 4 order placing a Reservist on active duty;

5 (2) the term “active duty” has the meaning  
 6 given that term in section 101 of title 10, United  
 7 States Code;

8 (3) the terms “Administration” and “Adminis-  
 9 trator” mean the Small Business Administration  
 10 and the Administrator thereof, respectively;

11 (4) the term “Reservist” means a member of a  
 12 reserve component of the Armed Forces, as de-

1 scribed in section 10101 of title 10, United States  
2 Code;

3 (5) the term “Service Corps of Retired Execu-  
4 tives” means the Service Corps of Retired Execu-  
5 tives authorized by section 8(b)(1) of the Small  
6 Business Act (15 U.S.C. 637(b)(1));

7 (6) the terms “service-disabled veteran” and  
8 “small business concern” have the meaning as in  
9 section 3 of the Small Business Act (15 U.S.C.  
10 632);

11 (7) the term “small business development cen-  
12 ter” means a small business development center de-  
13 scribed in section 21 of the Small Business Act (15  
14 U.S.C. 648); and

15 (8) the term “women’s business center” means  
16 a women’s business center described in section 29 of  
17 the Small Business Act (15 U.S.C. 656).

## 18 **TITLE I—VETERANS BUSINESS** 19 **DEVELOPMENT**

### 20 **SEC. 101. INCREASED FUNDING FOR THE OFFICE OF VET-** 21 **ERANS BUSINESS DEVELOPMENT.**

22 (a) IN GENERAL.—There are authorized to be appro-  
23 priated to the Office of Veterans Business Development  
24 of the Administration, to remain available until ex-  
25 pended—

1 (1) \$2,100,000 for fiscal year 2008; and

2 (2) \$2,300,000 for fiscal year 2009.

3 (b) FUNDING OFFSET.—Amounts necessary to carry  
4 out subsection (a) shall be offset and made available  
5 through the reduction of the authorization of funding  
6 under section 20(e)(1)(B)(iv) of the Small Business Act  
7 (15 U.S.C. 631 note).

8 (c) SENSE OF CONGRESS.—It is the sense of Con-  
9 gress that any amounts provided pursuant to this section  
10 that are in excess of amounts provided to the Administra-  
11 tion for the Office of Veterans Business Development in  
12 fiscal year 2007, should be used to support Veterans Busi-  
13 ness Outreach Centers.

14 **SEC. 102. INTERAGENCY TASK FORCE.**

15 Section 32 of the Small Business Act (15 U.S.C.  
16 657b) is amended—

17 (1) by redesignating subsection (c) as (f); and

18 (2) by inserting after subsection (b) the fol-  
19 lowing:

20 “(c) INTERAGENCY TASK FORCE.—

21 “(1) ESTABLISHMENT.—Not later than 90 days  
22 after the date of enactment of this subsection, the  
23 President shall establish an interagency task force to  
24 coordinate the efforts of Federal agencies necessary  
25 to increase capital and business development oppor-

1       tunities for, and increase the award of Federal con-  
2       tracting and subcontracting opportunities to, small  
3       business concerns owned and controlled by service-  
4       disabled veterans and small business concerns owned  
5       and controlled by veterans (in this section referred  
6       to as the ‘task force’).

7               “(2) MEMBERSHIP.—The members of the task  
8       force shall include—

9               “(A) the Administrator, who shall serve as  
10       chairperson of the task force;

11              “(B) a senior level representative from—

12                      “(i) the Department of Veterans Af-  
13       fairs;

14                      “(ii) the Department of Defense;

15                      “(iii) the Administration (in addition  
16       to the Administrator);

17                      “(iv) the Department of Labor;

18                      “(v) the Department of the Treasury;

19                      “(vi) the General Services Administra-  
20       tion; and

21                      “(vii) the Office of Management and  
22       Budget; and

23              “(C) 4 representatives from a veterans  
24       service organization or military organization or  
25       association, selected by the President.

1           “(3) DUTIES.—The task force shall coordinate  
2       administrative and regulatory activities and develop  
3       proposals relating to—

4           “(A) increasing capital access and capacity  
5       of small business concerns owned and controlled  
6       by service-disabled veterans and small business  
7       concerns owned and controlled by veterans  
8       through loans, surety bonding, and franchising;

9           “(B) increasing access to Federal con-  
10      tracting and subcontracting for small business  
11      concerns owned and controlled by service-dis-  
12      abled veterans and small business concerns  
13      owned and controlled by veterans through ex-  
14      panded mentor-protégé assistance and matching  
15      such small business concerns with contracting  
16      opportunities;

17          “(C) increasing the integrity of certifi-  
18      cations of status as a small business concern  
19      owned and controlled by service-disabled vet-  
20      erans or a small business concern owned and  
21      controlled by veterans;

22          “(D) reducing paperwork and administra-  
23      tive burdens on veterans in accessing business  
24      development and entrepreneurship opportuni-  
25      ties;

1           “(E) increasing and improving training  
 2           and counseling services provided to small busi-  
 3           ness concerns owned and controlled by veterans;  
 4           and

5           “(F) making other improvements relating  
 6           to the support for veterans business develop-  
 7           ment by the Federal Government.

8           “(4) REPORTING.—The task force shall submit  
 9           an annual report regarding its activities and pro-  
 10          posals to—

11           “(A) the Committee on Small Business  
 12           and Entrepreneurship and the Committee on  
 13           Veterans’ Affairs of the Senate; and

14           “(B) the Committee on Small Business  
 15           and the Committee on Veterans’ Affairs of the  
 16           House of Representatives.”.

17 **SEC. 103. PERMANENT EXTENSION OF SBA ADVISORY COM-**  
 18 **MITTEE ON VETERANS BUSINESS AFFAIRS.**

19           (a) ASSUMPTION OF DUTIES.—Section 33 of the  
 20          Small Business Act (15 U.S.C. 657c) is amended—

21           (1) by striking subsection (h); and

22           (2) by redesignating subsections (i) through (k)  
 23          as subsections (h) through (j), respectively.

24           (b) PERMANENT EXTENSION OF AUTHORITY.—Sec-  
 25          tion 203 of the Veterans Entrepreneurship and Small

1 Business Development Act of 1999 (15 U.S.C. 657b note)  
2 is amended by striking subsection (h).

3 **SEC. 104. OFFICE OF VETERANS BUSINESS DEVELOPMENT.**

4 Section 32 of the Small Business Act (15 U.S.C.  
5 657b), as amended by section 102, is further amended by  
6 inserting after subsection (c) (as added by section 102)  
7 the following:

8 “(d) PARTICIPATION IN TAP WORKSHOPS.—

9 “(1) IN GENERAL.—The Associate Adminis-  
10 trator shall increase veteran outreach by ensuring  
11 that Veteran Business Outreach Centers regularly  
12 participate, on a nationwide basis, in the workshops  
13 of the Transition Assistance Program of the Depart-  
14 ment of Labor.

15 “(2) PRESENTATIONS.—In carrying out para-  
16 graph (1), a Center may provide grants to eligible  
17 entities located in Transition Assistance Program lo-  
18 cations to make presentations on the opportunities  
19 available from the Administration for recently sepa-  
20 rating veterans. Each such presentation must in-  
21 clude, at a minimum, the entrepreneurial and busi-  
22 ness training resources available from the Adminis-  
23 tration.

24 “(3) WRITTEN MATERIALS.—The Associate Ad-  
25 ministrator of Veterans Business Development shall



1 create written materials that provide comprehensive  
2 information on self-employment and veterans entre-  
3 preneurship, including information on Small Busi-  
4 ness Administration resources available for such top-  
5 ics, and shall make these materials available for in-  
6 clusion in the Transition Assistance Program man-  
7 ual.

8 “(4) REPORTS.—The Associate Administrator  
9 shall submit to Congress progress reports on the im-  
10 plementation of this subsection.

11 “(e) WOMEN VETERANS BUSINESS TRAINING RE-  
12 SOURCE PROGRAM.—The Associate Administrator shall  
13 establish a Women Veterans Business Training Resource  
14 Program. The program shall—

15 “(1) compile information on resources available  
16 to women veterans for business training, including  
17 resources for—

18 “(A) vocational and technical education;

19 “(B) general business skills, such as mar-  
20 keting and accounting; and

21 “(C) business assistance programs targeted  
22 to women veterans; and

23 “(2) disseminate the information through Vet-  
24 eran Business Outreach Centers and women’s busi-  
25 ness centers.”.

1 **SEC. 105. INCREASING THE NUMBER OF OUTREACH CEN-**  
2 **TERS.**

3 The Administrator of the Small Business Administra-  
4 tion shall use the authority in section 8(b)(17) of the  
5 Small Business Act (15 U.S.C. 637(b)(17)) to ensure that  
6 the number of Veterans Business Outreach Centers  
7 throughout the United States increases—

8 (1) by at least 2, for each of fiscal years 2008  
9 and 2009, in accordance with funding provided in  
10 sections 101(a)(1) and (a)(2) of this Act; and

11 (2) by the number that the Administrator con-  
12 sider appropriate, based on existing need, for each  
13 fiscal year thereafter.

14 **SEC. 106. INDEPENDENT STUDY ON GAPS IN AVAILABILITY**  
15 **OF OUTREACH CENTERS.**

16 The Administrator of the Small Business Administra-  
17 tion shall sponsor an independent study on gaps in the  
18 availability of Veterans Business Outreach Centers across  
19 the United States. The purpose of the study shall be to  
20 identify the gaps that do exist so as to inform decisions  
21 on funding and on the allocation and coordination of re-  
22 sources. Not later than 6 months after the date of the  
23 enactment of this Act, the Administrator shall submit to  
24 Congress a report on the results of the study.

1 **TITLE II—NATIONAL RESERVIST**  
2 **ENTERPRISE TRANSITION**  
3 **AND SUSTAINABILITY**

4 **SEC. 201. SHORT TITLE.**

5 This title may be cited as the “National Reservist  
6 Enterprise Transition and Sustainability Act of 2007”.

7 **SEC. 202. PURPOSE.**

8 The purpose of this title is to establish a program  
9 to—

10 (1) provide managerial, financial, planning, de-  
11 velopment, technical, and regulatory assistance to  
12 small business concerns owned and operated by Re-  
13 servists;

14 (2) provide managerial, financial, planning, de-  
15 velopment, technical, and regulatory assistance to  
16 the temporary heads of small business concerns  
17 owned and operated by Reservists;

18 (3) create a partnership between the Small  
19 Business Administration, the Department of De-  
20 fense, and the Department of Veterans Affairs to as-  
21 sist small business concerns owned and operated by  
22 Reservists;

23 (4) utilize the service delivery network of small  
24 business development centers, women’s business cen-  
25 ters, Veterans Business Outreach Centers, and cen-

1       ters receiving funding from the National Veterans  
2       Business Development Corporation, and any other  
3       Veterans Business Assistance program which re-  
4       ceives federal funding, to expand the access of small  
5       business concerns owned and operated by Reservists  
6       to programs providing business management, devel-  
7       opment, financial, procurement, technical, regu-  
8       latory, and marketing assistance;

9           (5) utilize the service delivery network of small  
10       business development centers, women's business cen-  
11       ters, Veterans Business Outreach Centers, and cen-  
12       ters receiving funding from the National Veterans  
13       Business Development Corporation, and any other  
14       Veterans Business Assistance program which re-  
15       ceives federal funding, to quickly respond to an acti-  
16       vation of Reservists that own and operate small  
17       business concerns; and

18           (6) utilize the service delivery network of small  
19       business development centers, women's business cen-  
20       ters, Veterans Business Outreach Centers, and cen-  
21       ters receiving funding from the National Veterans  
22       Business Development Corporation, and any other  
23       Veterans Business Assistance program which re-  
24       ceives federal funding, to assist Reservists that own

1 and operate small business concerns in preparing for  
2 future military activations.

3 **SEC. 203. NATIONAL GUARD AND RESERVE BUSINESS AS-**  
4 **SISTANCE.**

5 The Small Business Act (15 U.S.C. 631 et seq.) is  
6 amended—

7 (1) by redesignating section 37 (15 U.S.C. 631  
8 note) as section 38; and

9 (2) by inserting after section 36 the following:

10 **“SEC. 37. RESERVIST ENTERPRISE TRANSITION AND SUS-**  
11 **TAINABILITY.**

12 “(a) IN GENERAL.—The Administrator shall estab-  
13 lish a program to provide business planning assistance to  
14 small business concerns owned and operated by Reservists.

15 “(b) DEFINITIONS.—In this section—

16 “(1) the terms ‘activated’ and ‘activation’ mean  
17 having received an order placing a Reservists on ac-  
18 tive duty, as defined by section 101(1) of title 10,  
19 United States Code;

20 “(2) the term ‘Administrator’ means the Ad-  
21 ministrator of the Small Business Administration,  
22 acting through the Associate Administrator for  
23 Small Business Development Centers;

24 “(3) the term ‘Association’ means the associa-  
25 tion established under section 21(a)(3)(A);

1 “(4) the term ‘eligible applicant’ means—

2 “(A) a small business development center  
3 that is accredited under section 21(k);

4 “(B) a women’s business center;

5 “(C) a Veterans Business Outreach Center  
6 that receives funds from the Office of Veterans  
7 Business Development;

8 “(D) an information and assistance center  
9 receiving funding from the National Veterans  
10 Business Development Corporation under sec-  
11 tion 33; or

12 “(E) any other Veterans Business Assist-  
13 ance program which receives federal funding;

14 “(5) the term ‘enterprise transition and sus-  
15 tainability assistance’ means assistance provided by  
16 an eligible applicant to a small business concern  
17 owned and operated by a Reservist, who has been  
18 activated or is likely to be activated in the next 12  
19 months, to develop and implement a business strat-  
20 egy for the period while the owner is on active duty  
21 and 6 months after the date of the return of the  
22 owner;

23 “(6) the term ‘Reservist’ means any person who  
24 is—

1           “(A) a member of a reserve component of  
2           the Armed Forces, as defined by section 10101  
3           of title 10, United States Code; and

4           “(B) on active status, as defined by section  
5           101(d)(4) of title 10, United States Code;

6           “(7) the term ‘small business development cen-  
7           ter’ means a small business development center as  
8           described in section 21 of the Small Business Act  
9           (15 U.S.C. 648);

10          “(8) the term ‘State’ means each of the several  
11          States of the United States, the District of Colum-  
12          bia, the Commonwealth of Puerto Rico, the Virgin  
13          Islands, American Samoa, and Guam; and

14          “(9) the term ‘women’s business center’ means  
15          a women’s business center described in section 29 of  
16          the Small Business Act (15 U.S.C. 656).

17          “(c) AUTHORITY.—The Administrator may award  
18          grants, in accordance with the regulations developed under  
19          subsection (d), to eligible applicants to assist small busi-  
20          ness concerns owned and operated by Reservists by—

21          “(1) providing management, development, fi-  
22          nancing, procurement, technical, regulatory, and  
23          marketing assistance;

1           “(2) providing access to information and re-  
2           sources, including Federal and State business assist-  
3           ance programs;

4           “(3) distributing contact information provided  
5           by the Department of Defense regarding activated  
6           Reservists to corresponding State directors;

7           “(4) offering free, one-on-one, in-depth coun-  
8           seling regarding management, development, financ-  
9           ing, procurement, regulations, and marketing;

10          “(5) assisting in developing a long-term plan  
11          for possible future activation; and

12          “(6) providing enterprise transition and sus-  
13          tainability assistance.

14          “(d) OTHER FEDERAL DEPARTMENTS AND AGEN-  
15          CIES.—The Administrator shall make available informa-  
16          tional materials established by this section to other Fed-  
17          eral departments and agencies for their own internal pro-  
18          grams.

19          “(e) RULEMAKING.—

20                 “(1) IN GENERAL.—The Administrator, in con-  
21                 sultation with the Association and after notice and  
22                 an opportunity for comment, shall promulgate regu-  
23                 lations to carry out this section.

24                 “(2) DEADLINE.—The Administrator shall pro-  
25                 mulgate final regulations not later than 180 days of



1 the date of enactment of the Military Reservist and  
2 Veteran Small Business Reauthorization and Oppor-  
3 tunity Act of 2007.

4 “(3) CONTENTS.—The regulations developed by  
5 the Administrator under this subsection shall estab-  
6 lish—

7 “(A) procedures for identifying, in con-  
8 sultation with the Secretary of Defense, States  
9 that have had a recent activation of Reservists;

10 “(B) priorities for the types of assistance  
11 to be provided under the program authorized by  
12 this section;

13 “(C) standards relating to educational,  
14 technical, and support services to be provided  
15 by a grantee;

16 “(D) standards relating to any national  
17 service delivery and support function to be pro-  
18 vided by a grantee;

19 “(E) standards relating to any work plan  
20 that the Administrator may require a grantee  
21 to develop; and

22 “(F) standards relating to the educational,  
23 technical, and professional competency of any  
24 expert or other assistance provider to whom a

1           small business concern may be referred for as-  
2           sistance by a grantee.

3           “(f) APPLICATION.—

4           “(1) IN GENERAL.—Each eligible applicant de-  
5           siring a grant under this section shall submit an ap-  
6           plication to the Administrator at such time, in such  
7           manner, and accompanied by such information as  
8           the Administrator may reasonably require.

9           “(2) CONTENTS.—Each application submitted  
10          under paragraph (1) shall describe—

11           “(A) the activities for which the applicant  
12           seeks assistance under this section; and

13           “(B) how the applicant plans to allocate  
14           funds within its network.

15          “(g) AWARD OF GRANTS.—

16          “(1) DEADLINE.—The Administrator shall  
17          award grants not later than 60 days after the pro-  
18          mulgation of final rules and regulations under sub-  
19          section (e).

20          “(2) AMOUNT.—Each eligible applicant award-  
21          ed a grant under this section shall receive a grant  
22          in an amount not greater than \$300,000 per fiscal  
23          year.

24          “(h) REPORT.—

1           “(1) IN GENERAL.—The Comptroller General of  
2       the United States shall—

3           “(A) initiate an evaluation of the program  
4       not later than 30 months after the disburse-  
5       ment of the first grant under this section; and

6           “(B) submit a report not later than 6  
7       months after the initiation of the evaluation  
8       under paragraph (1) to—

9           “(i) the Administrator;

10          “(ii) the Committee on Small Busi-  
11       ness and Entrepreneurship of the Senate;  
12       and

13          “(iii) the Committee on Small Busi-  
14       ness of the House of Representatives.

15          “(2) CONTENTS.—The report under paragraph  
16       (1) shall—

17          “(A) address the results of the evaluation  
18       conducted under paragraph (1); and

19          “(B) recommend changes to law, if any,  
20       that it believes would be necessary or advisable  
21       to achieve the goals of this section.

22       “(i) AUTHORIZATION OF APPROPRIATIONS.—

23          “(1) IN GENERAL.—There are authorized to be  
24       appropriated to carry out this section—

1           “(A) \$5,000,000 for the first fiscal year  
 2           beginning after the date of enactment of the  
 3           Military Reservist and Veteran Small Business  
 4           Reauthorization and Opportunity Act of 2007;  
 5           and

6           “(B) \$5,000,000 for the fiscal year fol-  
 7           lowing the fiscal year described in subparagraph  
 8           (A).

9           “(2) FUNDING OFFSET.—Amounts necessary to  
 10          carry out this section shall be offset and made avail-  
 11          able through the reduction of the authorization of  
 12          funding under section 20(e)(1)(B)(iv) of the Small  
 13          Business Act (15 U.S.C. 631 note).”.

14 **SEC. 204. VETERANS ASSISTANCE AND SERVICES PRO-**  
 15 **GRAM.**

16          Section 21 of the Small Business Act (15 U.S.C. 648)  
 17          is amended by adding at the end the following:

18          “(n) VETERANS ASSISTANCE AND SERVICES PRO-  
 19          GRAM.—

20               “(1) IN GENERAL.—A Small Business Develop-  
 21          ment Center may apply for an additional grant to  
 22          carry out a veterans assistance and services pro-  
 23          gram.

24               “(2) ELEMENTS OF PROGRAM.—Under a pro-  
 25          gram under paragraph (1), the Center shall—

1           “(A) create a marketing campaign to pro-  
2           mote awareness and education of the services of  
3           the Center that are available to veterans, and to  
4           target the campaign toward veterans, disabled  
5           veterans, military units, Federal agencies, and  
6           veterans organizations;

7           “(B) use technology-assisted online coun-  
8           seling and distance learning technology to over-  
9           come the impediments to entrepreneurship  
10          faced by veterans and members of the Armed  
11          Forces; and

12          “(C) increase coordination among organi-  
13          zations that assist veterans, including by estab-  
14          lishing virtual integration of service providers  
15          and offerings for a one-stop point of contact for  
16          veterans who are entrepreneurs or small busi-  
17          ness owners.

18          “(3) MINIMUM AMOUNT.—Each grant under  
19          this subsection shall be for at least \$75,000.

20          “(4) MAXIMUM AMOUNT.—A grant under this  
21          subsection may not exceed \$250,000.

22          “(5) FUNDING.—Subject to amounts approved  
23          in advance in appropriations Acts, the Administra-  
24          tion may make grants or enter into cooperative

1 agreements to carry out the provisions of this sub-  
 2 section.”.

### 3 **TITLE III—RESERVIST** 4 **PROGRAMS**

#### 5 **SEC. 301. RESERVIST PROGRAMS.**

6 (a) APPLICATION PERIOD.—Section 7(b)(3)(C) of the  
 7 Small Business Act (15 U.S.C. 636(b)(3)(C)) is amend-  
 8 ed—

9 (1) by striking “90 days” and inserting “1  
 10 year”; and

11 (2) by adding at the end the following: “The  
 12 Administrator may, when appropriate (as deter-  
 13 mined by the Administrator), waive the ending date  
 14 specified in the preceding sentence and provide a  
 15 later ending date.”.

16 (b) PRE-CONSIDERATION PROCESS.—

17 (1) DEFINITION.—In this subsection, the term  
 18 “eligible Reservist” means a Reservist who—

19 (A) has not been ordered to active duty;

20 (B) expects to be ordered to active duty  
 21 during a period of military conflict; and

22 (C) can reasonably demonstrate that the  
 23 small business concern for which that Reservist  
 24 is a key employee will suffer economic injury in  
 25 the absence of that Reservist.

1           (2) ESTABLISHMENT.—Not later than 6  
2 months after the date of enactment of this Act, the  
3 Administrator shall establish a pre-consideration  
4 process, under which the Administrator—

5           (A) may collect all relevant materials nec-  
6 essary for processing a loan to a small business  
7 concern under section 7(b)(3) of the Small  
8 Business Act (15 U.S.C. 636(b)(3)) before an  
9 eligible Reservist employed by that small busi-  
10 ness concern is activated; and

11           (B) shall distribute funds for any loan ap-  
12 proved under subparagraph (A) if that eligible  
13 Reservist is activated.

14       (c) OUTREACH AND TECHNICAL ASSISTANCE PRO-  
15 GRAM.—

16           (1) IN GENERAL.—Not later than 6 months  
17 after the date of enactment of this Act, the Adminis-  
18 trator, in consultation with the Secretary of Vet-  
19 erans Affairs and the Secretary of Defense, shall de-  
20 velop a comprehensive outreach and technical assist-  
21 ance program (in this subsection referred to as the  
22 “program”) to—

23           (A) market the loans available under sec-  
24 tion 7(b)(3) of the Small Business Act (15  
25 U.S.C. 636(b)(3)) to Reservists, and family

1 members of Reservists, that are on active duty  
2 and that are not on active duty; and

3 (B) provide technical assistance to a small  
4 business concern applying for a loan under that  
5 section.

6 (2) COMPONENTS.—The program shall—

7 (A) incorporate appropriate websites main-  
8 tained by the Administration, the Department  
9 of Veterans Affairs, and the Department of De-  
10 fense; and

11 (B) require that information on the pro-  
12 gram is made available to small business con-  
13 cerns directly through—

14 (i) the district offices and resource  
15 partners of the Administration, including  
16 small business development centers, wom-  
17 en's business centers, and the Service  
18 Corps of Retired Executives; and

19 (ii) other Federal agencies, including  
20 the Department of Veterans Affairs and  
21 the Department of Defense.

22 (3) REPORT.—

23 (A) IN GENERAL.—Not later than 6  
24 months after the date of enactment of this Act,  
25 and every 6 months thereafter until the date



1           that is 30 months after such date of enactment,  
2           the Administrator shall submit to Congress a  
3           report on the status of the program.

4           (B) CONTENTS.—Each report submitted  
5           under subparagraph (A) shall include—

6                   (i) for the 6-month period ending on  
7                   the date of that report—

8                           (I) the number of loans approved  
9                           under section 7(b)(3) of the Small  
10                          Business Act (15 U.S.C. 636(b)(3));

11                          (II) the number of loans dis-  
12                          bursed under that section; and

13                          (III) the total amount disbursed  
14                          under that section; and

15                          (ii) recommendations, if any, to make  
16                          the program more effective in serving small  
17                          business concerns that employ Reservists.

18 **SEC. 302. RESERVIST LOANS.**

19           (a) IN GENERAL.—Section 7(b)(3)(E) of the Small  
20           Business Act (15 U.S.C. 636(b)(3)(E)) is amended by  
21           striking “\$1,500,000” each place such term appears and  
22           inserting “\$2,000,000”.

23           (b) LOAN INFORMATION.—

24                   (1) IN GENERAL.—The Administrator and the  
25           Secretary of Defense shall develop a joint website

1 and printed materials providing information regard-  
2 ing any program for small business concerns that is  
3 available to veterans or Reservists.

4 (2) MARKETING.—The Administrator is author-  
5 ized—

6 (A) to advertise and promote the program  
7 under section 7(b)(3) of the Small Business Act  
8 jointly with the Secretary of Defense and vet-  
9 erans' service organizations; and

10 (B) to advertise and promote participation  
11 by lenders in such program jointly with trade  
12 associations for banks or other lending institu-  
13 tions.

14 **SEC. 303. NONCOLLATERALIZED LOANS.**

15 Section 7(b)(3) of the Small Business Act (15 U.S.C.  
16 636(b)(3)) is amended by adding at the end the following:

17 “(G)(i) Notwithstanding any other provi-  
18 sion of law, the Administrator may make a loan  
19 under this paragraph of not more than \$50,000  
20 without collateral.

21 “(ii) The Administrator may defer pay-  
22 ment of principal and interest on a loan de-  
23 scribed in clause (i) during the longer of—

1 “(I) the 1-year period beginning on  
 2 the date of the initial disbursement of the  
 3 loan; and

4 “(II) the period during which the rel-  
 5 evant essential employee is on active  
 6 duty.”.

7 **SEC. 304. LOAN PRIORITY.**

8 Section 7(b)(3) of the Small Business Act (15 U.S.C.  
 9 636(b)(3)), as amended by this Act, is amended by adding  
 10 at the end the following:

11 “(H) The Administrator shall give priority  
 12 to any application for a loan under this para-  
 13 graph and shall process and make a determina-  
 14 tion regarding such applications prior to proc-  
 15 essing or making a determination on other loan  
 16 applications under this subsection, on a rolling  
 17 basis.”.

18 **SEC. 305. RELIEF FROM TIME LIMITATIONS FOR VETERAN-**  
 19 **OWNED SMALL BUSINESSES.**

20 Section 3(q) of the Small Business Act (15 U.S.C.  
 21 632(q)) is amended by adding at the end the following:

22 “(5) RELIEF FROM TIME LIMITATIONS.—

23 “(A) IN GENERAL.—Any time limitation  
 24 on any qualification, certification, or period of  
 25 participation imposed under this Act on any

1 program that is not subject to the Federal  
2 Credit Reform Act of 1990 (2 U.S.C. 661 et  
3 seq.) and is available to small business concerns  
4 shall be extended for a small business concern  
5 that—

6 “(i) is owned and controlled by—

7 “(I) a veteran who was called or  
8 ordered to active duty under a provi-  
9 sion of law specified in section  
10 101(a)(13)(B) of title 10, United  
11 States Code, on or after September  
12 11, 2001; or

13 “(II) a service-disabled veteran  
14 who became such a veteran due to an  
15 injury or illness incurred or aggra-  
16 vated in the active military, naval, or  
17 air service during a period of active  
18 duty pursuant to a call or order to ac-  
19 tive duty under a provision of law re-  
20 ferred to in subclause (I) on or after  
21 September 11, 2001; and

22 “(ii) was subject to the time limitation  
23 during such period of active duty.

24 “(B) DURATION.—Upon submission of  
25 proper documentation to the Administrator, the

1 extension of a time limitation under subpara-  
2 graph (A) shall be equal to the period of time  
3 that such veteran who owned or controlled such  
4 a concern was on active duty as described in  
5 that subparagraph.

6 “(C) EXCEPTION FOR PROGRAMS SUBJECT  
7 TO FEDERAL CREDIT REFORM ACT OF 1990.—  
8 The provisions of subparagraphs (A) and (B)  
9 shall not apply to any programs subject to the  
10 Federal Credit Reform Act of 1990 (2 U.S.C.  
11 661 et seq.).”.

12 **SEC. 306. SERVICE-DISABLED VETERANS.**

13 Not later than 180 days after the date of enactment  
14 of this Act, the Comptroller General of the United States  
15 shall submit to the Committee on Small Business and En-  
16 trepreneurship of the Senate and the Committee on Small  
17 Business of the House of Representatives a report describ-  
18 ing—

19 (1) the types of assistance needed by service-  
20 disabled veterans who wish to become entrepreneurs;  
21 and

22 (2) any resources that would assist such serv-  
23 ice-disabled veterans.

1 **SEC. 307. STUDY ON OPTIONS FOR PROMOTING POSITIVE**  
2 **WORKING RELATIONS BETWEEN EMPLOYERS**  
3 **AND THEIR RESERVE COMPONENT EMPLOY-**  
4 **EES.**

5 (a) STUDY REQUIRED.—The Comptroller General of  
6 the United States shall conduct a study on options for pro-  
7 moting positive working relations between employers and  
8 Reserve component employees of such employers, includ-  
9 ing assessing options for improving the time in which em-  
10 ployers of Reservists are notified of the call or order of  
11 such members to active duty other than for training.

12 (b) REPORT.—

13 (1) IN GENERAL.—Not later than 180 days  
14 after the date of enactment of this Act, the Comp-  
15 troller General of the United States shall submit to  
16 the appropriate committees of Congress a report on  
17 the study conducted under subsection (a).

18 (2) CONTENTS.—The report submitted under  
19 paragraph (1) shall—

20 (A) provide a quantitative and qualitative  
21 assessment of—

22 (i) what measures, if any, are being  
23 taken to inform Reservists of the obliga-  
24 tions and responsibilities of such members  
25 to their employers;

1 (ii) how effective such measures have  
2 been; and

3 (iii) whether there are additional  
4 measures that could be taken to promote  
5 positive working relations between Reserv-  
6 ists and their employers, including any  
7 steps that could be taken to ensure that  
8 employers are timely notified of a call to  
9 active duty; and

10 (B) assess whether there has been a reduc-  
11 tion in the hiring of Reservists by business con-  
12 cerns because of—

13 (i) any increase in the use of Reserv-  
14 ists after September 11, 2001; or

15 (ii) any change in any policy of the  
16 Department of Defense relating to Reserv-  
17 ists after September 11, 2001.

18 (c) APPROPRIATE COMMITTEES OF CONGRESS DE-  
19 FINED.—In this section, the term “appropriate commit-  
20 tees of Congress” means—

21 (1) the Committee on Armed Services and the  
22 Committee on Small Business and Entrepreneurship  
23 of the Senate; and

1           (2) the Committee on Armed Services and the  
2           Committee on Small Business of the House of Rep-  
3           resentatives.

4 **SEC. 308. INCREASED VETERAN PARTICIPATION PROGRAM.**

5           (a) IN GENERAL.—Section 7(a) of the Small Busi-  
6           ness Act (15 U.S.C. 636(a)) is amended by adding at the  
7           end the following:

8                   “(32) INCREASED VETERAN PARTICIPATION  
9           PROGRAM.—The Administrator shall carry out an  
10          Increased Veteran Participation Program. For a  
11          loan made under this paragraph, the following shall  
12          apply:

13                   “(A) The loan shall be made to a business  
14          concern the majority ownership interest of  
15          which is directly held by individuals who are  
16          veterans of the Armed Forces or members of  
17          the reserve components of the Armed Forces.

18                   “(B) The loan shall include the participa-  
19          tion by the Administration equal to 90 percent  
20          of the balance of the financing outstanding at  
21          the time of disbursement.

22                   “(C) The fees on the loan under para-  
23          graphs (18) and (23) shall not apply.”.

24           (b) NOTICE AND COMMENT.—The program required  
25          by section 7(a)(32) of the Small Business Act, as added



1 by subsection (a), shall be established after the oppor-  
2 tunity for notice and comment and not later than 180 days  
3 after the date of the enactment of this Act.

○